

ILEMBE DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
As at 30 June 2015

10 PROPERTY, PLANT AND EQUIPMENT

10.1 Reconciliation of Carrying Value

	Land R.	Buildings R	Infrastructure Water & Sewer R	Assets Under Construction R	Other Assets R	Finance lease assets R	Total R
As at 1 July 2014	3 242 908	12 961 663	790 791 797	239 481 924	7 724 091	1 900 037	1 056 102 421
Cost/Revaluation	3 242 908	18 438 824	1 218 988 791	239 481 924	21 571 983	11 900 727	1 513 625 158
Correction of prior year error (note 31)	-	-	-	-	-	-77 243	(77 243)
Accumulated depreciation and impairment losses	-	(5 477 160)	(428 196 992)	-	(13 847 892)	(9 923 448)	(457 445 492)
Acquisitions	-	-	1 184 249	-	783 093	38 826 120	40 793 462
Capital under Construction	-	-	-	351 030 740	-	-	351 030 740
Depreciation	-	(685 854)	(39 805 968)	-	(2 250 190)	(12 962 449)	(55 704 460)
Carrying value of disposals	-	-	-	-	(181 212)	(114 767)	(295 979)
Cost/Revaluation	-	-	-	-	(4 189 391)	(8 193 628)	(12 383 019)
Accumulated depreciation and impairment losses	-	-	-	-	4 008 179	8 076 860	12 087 039
Impairment loss/Reversal of impairment loss	-	-	83 736 016	-	-	-	83 701 461
Transfers	-	-	187 932 972	(202 340 873)	-	-	(14 407 900)
Other movements (change in accounting estimates)	-	(704 397)	111 979 368	-	-	-	111 274 971
As at 30 June 2015	3 242 908	11 571 412	1 135 818 435	388 171 792	5 041 228	27 648 941	1 572 494 511
Cost/Revaluation	3 242 908	18 438 824	1 408 106 012	388 171 792	18 165 686	42 455 977	1 878 581 198
Accumulated depreciation and impairment losses	-	(6 867 411)	(272 287 576)	-	(12 124 458)	(14 807 036)	(306 086 481)

ILEMEE DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for year ended 30 June 2014

10.2 Reconciliation of Carrying Value

As at 1 July 2013
Cost/Revaluation
Correction of prior year error (note 31) - Cost
Correction of prior year error (note 31) -
Accumulated depreciation and impairment losses
Accumulated depreciation and impairment losses

Land	Buildings	Infrastructure	Assets Under	Other Assets	Finance lease	Total
R	R	Water & Sewer	Construction	R	assets	R
3 242 908	13 688 275	895 014 329	330 808 045	9 996 753	5 726 132	1 308 477 442
3 242 908	18 544 081	793 116 041	400 692 034	21 449 976	21 926 035	1 258 971 075
-	-	194 243 982	-19 882 988.72	-	-	174 360 993
-	(4 855 806)	(9 438 554)	-	(11 453 223)	(16 199 903)	(9 438 554)
		(82 907 141)				(115 416 072)

Acquisitions
Capital under Construction
Depreciation
Carrying value of disposals
Cost/Revaluation
Accumulated depreciation and impairment losses
Impairment loss/Reversal of impairment loss
Transfers
Other movements

-	-	188 377 409	-	887 392	-	189 264 801
-	-	-	296 838 018	-	-	296 838 018
-	(628 079)	(31 834 416)	-	(2 890 357)	(3 605 736)	(38 958 588)
-	(98 532)	(576 144)	-	(182 044)	(143 117)	(999 837)
-	(105 257)	(655 177)	-	(765 385)	(10 025 308)	(11 551 127)
-	6 725	79 033	-	583 341	9 882 191	10 551 290
-	-	(299 655 005)	-	(87 653)	-	(299 742 658)
-	-	-	(428 847 055)	-	-	(428 847 055)
-	-	-	-	-	-	-

As at 30 June 2014
Cost/Revaluation
Correction of prior year error (note 31) - Cost
Correction of prior year error (note 31) -
Accumulated depreciation and impairment losses
Accumulated depreciation and impairment losses

3 242 908	12 961 663	790 791 797	239 481 924	7 724 091	1 977 280	1 060 620 572
3 242 908	18 438 824	1 175 082 254	248 800 009	21 571 983	11 900 727	1 479 036 706
-	-	43 906 537	-9 318 084.19	-	-	34 588 452
-	(5 477 160)	(4 440 909)	-	(13 847 892)	(9 923 448)	(453 004 583)
		(423 756 083)				

Refer to Appendix B for more detail on property, plant and equipment

887 829.46
-112 007.76
(98 532)
-13 475.76

ILEMBE DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
As at 30 June 2015

11 HERITAGE ASSETS

11.1 Reconciliation of carrying value

As at 1 July 2014

Cost
Accumulated impairment losses

As at 30 June 2015

Cost
Accumulated impairment losses

11.2 Reconciliation of carrying value

as at July 2013

Cost
Accumulated impairment losses

as at June 2014

Cost
Accumulated impairment losses

205 578	205 578
205 578	-

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Moveable Objects
Total

205 578	205 578
205 578	-

Moveable Objects
Total R

205 578	205 578
205 578	-

205 578	205 578
205 578	-

HEMDE DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
As at 30 June 2016

12 INTANGIBLE ASSETS

12 Reconciliation of carrying value

As at 1 July 2014			
Cost	2 129 936	3 880 728	6 010 666
Accumulated amortisation and impairment losses	(74 497)	(3 938 024)	(4 012 521)
Carrying value of disposals	-	-	-
Cost	2 204 434	7 818 752	10 023 186
Accumulated amortisation	1 327	1 327	1 327
Other Movements	281 156	1 327	281 156
Acquisitions	-	(1 704 782)	(1 704 782)
As at 30 June 2015	2 411 093	2 167 932	4 579 024
Cost	2 486 590	7 820 079	10 306 669
Accumulated amortisation and impairment losses	(74 497)	(5 652 148)	(5 726 645)

12 Reconciliation of carrying value

As at 1 July 2013			
Cost	2 124 397	4 284 237	6 418 634
Accumulated amortisation and impairment losses	(74 497)	(2 588 362)	(2 662 859)
Acquisitions	5 539	936 153	941 692
Amortisation	-	(1 349 662)	(1 349 662)
Carrying value of disposals	-	-	-
Cost	2 198 894	6 882 599	9 081 493
Accumulated amortisation	2 204 434	7 818 752	10 023 186
Other movements	-	-	-
As at 30 June 2014	2 129 936	3 880 728	6 010 666
Cost	2 204 434	7 818 752	10 023 186
Accumulated amortisation and impairment losses	(74 497)	(3 938 024)	(4 012 521)

LEMBE DISTRICT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2015

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13 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade creditors	102 845 537	49 370 751
Consumer debtors with credit balances	4 299 669	5 680 841
Staff leave accrual	10 486 458	9 951 655
Outstanding Payments	345 279	757 097
Other creditors	139 688 896	108 021 749
13th Cheques	4 226 942	
Consumer water deposits	4 993 192	4 723 194
Vat payable	266 886 973	181 338 385
Total creditors	266 886 973	181 338 385

The fair value of trade and other payables approximates their carrying amounts.

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

14 TRADE AND OTHER PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Unspent Conditional Grants and Receipts	1 166 610	1 319 805
Section 78	(0)	200 000
Provincial Township Establishment	(0)	3 193 174
Rural Housing Grant	(0)	4 000 000
Customer Satisfaction Survey	-	26 958
Water Services Operating Grant	-	8 035 287
COGTA INFRASTRUCTURE	-	
IGR Grant	-	
Municipal Governance & Administration	-	188 015
Environmental Management	-	24 459
Financial Management Grant	-	141 332
Municipal Systems Improvement Grant	-	-
Operating Refurb Grant	-	517 772
LMWIG	-	607 707
Advocacy Town Development	-	535 864
Corridor Funding	-	165 477
Disaster Management - DBSA	-	2 349 000
EPWP	-	267 487
DRONGHT (NDMHC)	2 267 171	5 468 894
Rural Transport Service Grant	864 846	992 800
Grants - Other	9 767 521	23 475 118
Total Unspent Conditional Grants and Receipts	9 767 521	23 475 118

See Note 21 for reconciliation of grants and receipts. These amounts are invested in ring-fenced investment until utilised.

15 BORROWINGS

Development Bank of South Africa	60 594 635	59 383 844
ABSA	30 787 808	30 000 000
Less : Current portion transferred to current liabilities	1 516 041	3 115 127
ABSA	1 516 041	3 115 127
Non current portion of borrowings	89 866 402	86 268 717

Development Bank of South Africa
Best interest at rates between 8.02% and 11.04% per annum and are repayable every six months with the last repayment due on 30 September 2025.

ABSA Loan
Bears interest at 10.8% per annum, interest is paid quarterly and the loan is repayable in 2025.

Refer to Appendix A for more detail on borrowings.

16 FINANCE LEASE LIABILITY

as at 30 June 2015	Minimum lease payment	Future finance charges	Present value of minimum lease payments
Within one year	10 814 535	2 388 165	8 426 370
Within two to five years	28 729 744	6 532 880	23 196 864
Less: Amount due for settlement within 12 months (current portion)	40 544 279	8 921 045	31 623 234
			8 426 370
			23 196 864

R 2016 ID#	R 2017 ID#
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as at 30 June 2014	Minimum lease payment	Future finance charges	Present value of minimum lease payments
Amounts payable under finance leases	R	R	R
Within one year	1 498 707	46 414	1 452 292
Within two to five years	401 629	20 581	441 046
	1 900 336	66 996	1 893 339
Less: Amount due for settlement within 12 months (current portion)			1 452 292
			441 046

Sale of water
Sewerage and sanitation charges
Bollnäs Forests

103 677 824	50 669 218	145 000 897
92 768 097	18 317 464	102 904 759
	(9 266 144)	(6 180 802)

Ilsema Auditorium
Rental of facilities

17 756	•
-	•
17 766	•

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3 614 085 4 401 310

Interest on debtors

14 393 406 13 119 710

Equitable share

280 468 000	712 659 888
253 386 000	685 222 234
170 482 602	
141 353 632	
222 107 630	
200 084 058	

Other Government Grants and Subsidies

222 107 030	141 353 032
712 659 888	665 222 234

19th November 1991

290 488 000	253 388 000
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advance unpaid at beginning of year

3 193 174	-0.00
11 805 884	(200 084 058)
104 905 000	(169 871 484)
177 501 000	53 162
3 193 174	

Adjustments and transfers relate to amounts owed by COGTA, for which a debtor has been created (see note 4)

LEABE DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2016

	2016	2014
	R	R

21.3 Other Grants

Balance unspent at beginning of year	992 800	992 800
Current year receipts	-	-
Conditions met - transferred to revenue	(127 854)	-
Adjustments and Transfers	-	-
Conditions still to be met - remain liabilities (see note 14)	804 846	992 800

21.4 SECTION 76 GRANT

Balance unspent at beginning of year	200 000	200 000
Current year receipts	-	-
Conditions met - transferred to revenue	(200 000)	-
Conditions still to be met - remain liabilities (see note 14)	200 000	200 000

21.5 WATER SERVICE OPERATING GRANT

Balance unspent at beginning of year	9 035 267	-
Current year receipts	11 139 000	-
Conditions met - transferred to revenue	(8 743 823)	-
Adjustments and Transfers	(291 445)	-
Conditions still to be met - remain liabilities (see note 14)	9 035 267	-

Adjustments and transfers relate to amounts realized as savings and transferred to other income

21.6 WATER SERVICE OPERATING GRANT - SUNDIHLI

Balance unspent at beginning of year	4 500 000	-
Current year receipts	-	-
Conditions met - transferred to revenue	(4 500 000)	-
Conditions still to be met - remain liabilities (see note 14)	-	-

21.7 REGIONAL BULK INFRASTRUCTURE GRANT - LITWISS

Balance unspent at beginning of year	57 160 362	89 880 613
Current year receipts	-	-
Conditions met - transferred to revenue	(76 351 400)	(76 293 239)
Adjustments and Transfers	18 171 038	(13 687 574)
Conditions met	-	-

Adjustments and transfers relate to amounts owed by the Department of Water Affairs, for which a debtor has been created (see note 4); amounts received pertaining to debtors for the previous financial year, as well as internally funded portion of the project.

21.8 RURAL TRANSPORT SERVICE

Balance unspent at beginning of year	267 488	768 926
Current year receipts	2 120 000	1 807 000
Conditions met - transferred to revenue	(2 307 488)	(2 308 438)
Adjustments and Transfers	-	-
Conditions still to be met - remain liabilities (see note 14)	-	267 488

21.9 DISASTER MANAGEMENT GRANT (DBSA)

Balance unspent at beginning of year	165 476	165 476
Current year receipts	-	-
Conditions met - transferred to revenue	(165 476)	-
Conditions still to be met - remain liabilities (see note 14)	-	165 476

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21.10 SHARED SERVICES GRANT (DPS)

Balance unspent at beginning of year	1 000 000	-
Current year receipts	-	-
Conditions met - transferred to revenue	(1 000 000)	-
Adjustments and Transfers	-	-
Conditions still to be met - remain liabilities (see note 14)	-	-

21.11 MWIG

Balance unspent at beginning of year	517 772	-
Current year receipts	49 692 000	-
Conditions met - transferred to revenue	(54 304 852)	14 787 180
Adjustments and Transfers	-	-
Conditions not	-	517 772

Adjustments and transfers relate to debtors owed by COGTA (see note 4)

21.12 PROVINCIAL TOWNSHIP ESTABLISHMENT

Balance unspent at beginning of year	1 319 805	1 881 915
Current year receipts	-	-
Conditions met - transferred to revenue	(163 195)	(493 079)
Adjustments and Transfers	-	(69 031)
Conditions still to be met - remain liabilities (see note 14)	1 156 610	1 319 805

21.13 Municipal Governance & Admin

Balance unspent at beginning of year	190 015	573 084
Current year receipts	-	-
Conditions met - transferred to revenue	(87 079)	(375 068)
Adjustments and Transfers	-	-
Conditions still to be met - remain liabilities (see note 14)	(110 936)	198 016

Adjustments and transfers relate to amounts realized as savings and transferred to other income

21.14 CORRIDOR FUNDING

Balance unspent at beginning of year	-	600 000
Current year receipts	-	-
Conditions met - transferred to revenue	-	(500 000)

21.15 CORRIDOR - NORTH URBAN DEVELOP PLAN PHASE 2

Balance unspent at beginning of year	635 864	635 864
Current year receipts	-	-
Conditions met - transferred to revenue	(535 864)	-
Adjustments and Transfers	-	-
Conditions still to be met - remain liabilities (see note 14)	0	635 864

21.16 RURAL HOUSING GRANT

Balance unspent at beginning of year	4 000 000	-
Current year receipts	-	4 000 000
Conditions met - transferred to revenue	(3 998 000)	-
Adjustments and Transfers	(4 000)	-
Conditions still to be met	-	4 000 000

Adjustments and transfers relate to amounts realized as savings and transferred to other income

LEMBE DISTRICT MUNICIPALITY
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21.17 KDM MIG GRANT

Balance unpaid at beginning of year	19 839 656	-
Current year receipts	7 337 566	-
Conditions met - transferred to revenue	(16 130 639)	-
Adjustments and Transfers	(3 008 942)	-
Conditions met	800 076	-

Adjustments and transfers relate to amounts received for the debtors amount pertaining to the previous financial year.

21.18 FMG

Balance unpaid at beginning of year	141 332	-
Current year receipts	1 250 000	-
Conditions met - transferred to revenue	(1 080 015)	-
Adjustments and Transfers	(28 653)	-
Conditions still to be met	141 332	-

21.19 MSIG

Balance unpaid at beginning of year	894 000	-
Current year receipts	890 000	-
Conditions met - transferred to revenue	(934 000)	-
Conditions met	0	-

21.20 EPWP

Balance unpaid at beginning of year	2 349 000	-
Current year receipts	1 000 000	-
Conditions met - transferred to revenue	(2 259 828)	-
Adjustments and Transfers	-	-
Conditions still to be met - remain liabilities (see note 14)	2 267 171	-

21.21 LGSETA

Balance unpaid at beginning of year	250 042	-
Current year receipts	77 800	-
Conditions met - transferred to revenue	(237 589)	-
Adjustments and Transfers	-	-
Conditions still to be met - remain liabilities (see note 14)	(90 156)	-

21.21 IGR GRANT

Balance unpaid at beginning of year	73 800	-
Current year receipts	-	-
Conditions met - transferred to revenue	(64 737)	-
Adjustments and Transfers	-	-
Conditions still to be met - remain liabilities (see note 14)	(9 063)	-

21.22 ENVIRONMENTAL MANAGEMENT FRAMEWORK

Balance unpaid at beginning of year	24 459	-
Current year receipts	307 639	-
Conditions met - transferred to revenue	-	-
Adjustments and Transfers	(24 459)	-
Conditions still to be met - remain liabilities (see note 14)	0.00	-

Adjustments and transfers relate to amounts realized as savings and transferred to other income

21.23 NDWEDEWE TOWN DEVELOPMENT

Balance unpaid at beginning of year	507 707	-
Current year receipts	5 383 726	-
Conditions met - transferred to revenue	(5 358 499)	-
Adjustments and Transfers	(532 934)	-
Conditions still to be met - remain liabilities (see note 14)	-	-

Adjustments and transfers relate to amounts owed by Ndwekwe Municipality, for which a debtor has been created, as well as amounts declared as output VAT.

21.24 Customer Satisfaction Survey

Balance unpaid at beginning of year	26 958	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Adjustments and Transfers	(26 958)	-
Conditions still to be met - remain liabilities (see note 14)	-	-

Adjustments and transfers relate to amounts realized as savings and transferred to other income

LEABE DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2016

	2015	2014
	R	R
	10M	10M

21.26 Melville Package Plant

Balance unspent at beginning of year	611 110	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Adjustments and Transfers	-	-
Conditions still to be met - remain liabilities (see note 14)	-	-

21.27 EMERGENCY DROUGHT RELIEF - DWS

Balance unspent at beginning of year	10 693 210	-
Current year receipts	-	-
Conditions met - transferred to revenue	(30 728 194)	-
Adjustments and Transfers	20 034 984	-
Conditions still to be met - remain liabilities (see note 14)	-	-

Adjustments and transfers relate to amounts owed by the Department of Water Affairs, for which a debtor has been created. (see note 4)

21.28 MASSIFICATION - MANDINI WATER CONSERVATION AND DEMAND MANAGEMENT

Balance unspent at beginning of year	9 931 000	-
Current year receipts	-	-
Conditions met - transferred to revenue	(9 931 000)	-
Adjustments and Transfers	-	-
Conditions still to be met - remain liabilities (see note 15)	-	-

21.29 DROUGHT RELIEF GRANT (COGTANOMC)

Balance unspent at beginning of year	9 250 000	-
Current year receipts	-	-
Conditions met - transferred to revenue	(9 791 100)	-
Adjustments and Transfers	-	-
Conditions still to be met - remain liabilities (see note 14)	6 468 894	-

22 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS

22.1 Other Income

Tender Documents	148 071	456 039
Telephone recovered	226 809	173 390
Clearance certificates	925 297	572 931
Private developers	-	1 001 244
Site Water Concession	1 464 166	1 436 000
Insurance proceeds	2 708	94 559
Developers Capital Contribution	-	22 108 970
Shared Service	1 633 251	1 644 332
Enterprise Ilombu	1 289 112	177 002
New connections	-	4 837 924
Val Refunds	-	881 060
Other Income	1 323 453	33 483 961
7 212 866	33 483 961	

23 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	107 184 213	94 568 559
Employee related costs - Contributions for UIF, pensions and medical	20 654 893	17 075 150
Travel, motor car, accommodation, subsistence and other allowances	3 977 579	3 112 692
Housing benefits and allowances	758 426	612 857
Overlame payments	6 283 919	4 437 846
Performance and other bonuses	8 251 511	6 147 753
Long-service awards	1 592 129	2 775 714
Other employee related costs	4 710 840	5 605 025
Employee Related Costs	163 413 213	134 335 596
There were no advances to employees.	-	-

Remuneration of the Municipal Manager

Annual Remuneration	82 474	877 021
Travel, motor car, accommodation, subsistence and other allowance	11 246	-
Contributions to UIF, Medical and Pension Funds and other allowance	149	92 897
13th Cheque Provision	7 810	-
Total	101 619	970 618

The Municipal Manager position was filled in June 2015

Remuneration of the Chief Financial Officer

Annual Remuneration	699 274	845 970
Travel, motor car, accommodation, subsistence and other allowance	198 401	185 702
Contributions to UIF, Medical and Pension Funds and other allowance	1 785	1 704
Total	1 099 459	1 033 484

Remuneration of Individual Executive Director

Technical Services	274 169	725 493
Corporate Services	-	240 192
Corporate Governance	-	1 016 113
Annual Remuneration	274 169	1 016 113
Travel, motor car, accommodation, subsistence and other allowance	-	20 313
Contributions to UIF, Medical and Pension Funds	446	1 785
Total	274 615	1 038 210

The position for Director, Technical Services was filled in April 2015

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June 2014			
Annual Remuneration	621 242	853 125	R
Travel, motor car, accommodation, subsistence	205 675	121 875	R
Contributions to UIF, Medical and Pension Funds	62 207	1 785	R
Total	889 124	976 785	R

The position for Director, Technical Services is currently vacant.

24 REMUNERATION OF COUNCILLORS

Mayor	791 402	638 271
Deputy Mayor	700 142	584 766
Speaker	413 350	307 213
Executive Committee Members	1 658 603	1 333 349
Councillors' Allowances	4 458 769	3 314 287
Councillors' pension and medical aid contributions	569 310	471 648
Total Councillors' Remuneration	8 689 688	6 629 534

In-kind Benefits

The Mayor, Deputy Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor, Deputy Mayor and Speaker has use of the Council owned vehicle for official duties. The Mayor has 2 full-time bodyguards.

25 DEPRECIATION, IMPAIRMENT AND AMORTISATION EXPENSE

Depreciation	(55 570 510)	38 958 584
Impairment of assets	(83 655 289)	299 742 658
Intangible assets	1 704 732	1 349 691
Total Depreciation, Impairment and Amortisation	(137 621 017)	340 050 903

The impairment reversal recognized mainly relates to impairment of infrastructure assets due to significant changes in the remaining useful lives of these assets.

26 FINANCE COSTS

Borrowings	8 524 798	9 034 822
Leases	2 722 135	232 123
Total Finance Costs	11 246 933	9 266 946

27 BULK PURCHASES

Electricity	74 440 680	72 298 235
Water	74 440 680	72 298 235
Total Bulk Purchases	148 881 360	144 596 470

28 CONTRACTED SERVICES

Contracted services for:		
Management Contract WSSA	11 659 226	
Lease of Machinery & Equipment	300 201	
Reconnection/Disconnections	31 116 392	
Plant Hire	10 259 638	
Security	24 121 634	
Saga games	4 598 163	
LEASE OF MV - MINT CHARGES	4 660 313	
Smart Boxes	20 693	
Hotel booking contracts	149 835	
Fax & Copier rentals	2 530 358	
Lease of Vehicles	219 347	
Rental of Buildings	1 966 602	
Vehicle Hire	1 169 027	
Insurance	65 637 666	

29 GRANT EXPENSES

Grant Expenditure	34 217 638	35 317 924
	34 217 638	35 317 924

LED Projects	1 359 053	1 080 015
Size Water Concession Monitoring		
Rams Grant Operating Expenditure	2 220 349	
Tourism		
PROVINCIAL TOWNSHIP ESTABLISHMENT	134 381	493 079
LG SETA Grant Expenditure		
Corridor Grant Expenditure		
MUNICIPAL GOV & ADMINISTRATION	67 079	500 000
SPATIAL DEVELOPMENT PLAN	377 990	
IGR Grant Expenditure		
RURAL HOUSEHOLD GRANT	3 505 263	
ELMF		
Maphumulo HHI Sanitation	9 753 554	10 562 632
MIG PMU		
Ndwedwe Ward 16 HHI Sanitation		
Ndwedwe HHI Sanitation	9 913 678	8 614 232
Ngwenya HHI Sanitation	9 868 321	12 991 167
Citizen Satisfaction Survey		485 125

ILEMBE DISTRICT MUNICIPALITY
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30 GENERAL EXPENSES

Included in general expenses are the following:-

Advertising	1 574 394	1 055 989
Admin fees	2 272 672	1 913 681
Bank charges	163 402	195 170
Bureaux	-	1 170 855
Cleaning	1 081 490	58 150
Conferences and delegations	253 897	-
Connection charges	-	-
Consulting fees	-	-
Consumables	1 264 687	-
Debt collection commission	-	-
Departmental consumption	-	-
Entertainment	959 677	1 133 584
Financial management grant	-	-
Fuel and oil	6 459 711	10 809 561
Insurance	-	1 745
Legal expenses	471 031	350 231
Levies paid	-	-
LG Sala Expenditure	669 704	1 284 055
Licence fees - vehicles	14 051	29 923
Licence fees - computers	1 055 650	-
Licence fees	-	1 768 521
Membership fees	-	-
Parking	-	-
Postage	1 442 008	1 590 100
Printing and stationery	946 959	889 342
Professional fees	1 742 777	3 057 144
Disaster Management	-	1 600 301
Rent of buildings	-	-
Rent of machinery and equipment	-	-
Rental of computer equipment	205 041	721 767
Security costs	-	-
Property rates	-	650 649
Commission: Agency	1 069 618	330 864
Special Projects - Youth, Gender, HIV	-	948 705
Subsistence & publication	8 502	-
Sports Development	-	623 056
Telephone cost	3 052 335	3 169 200
Training	-	2 036 943
Transport claims	-	-
Travel and subsistence	1 791 448	2 687 777
Uniforms & overalls	1 029 735	1 813 450
Water and Sanitation	5 727 273	1 778 976
Electricity & Water	16 657 438	18 619 142
LED Projects	-	16 708 140
Shared Services	3 006 152	2 138 121
Public Participation	2 068 231	2 498 468
Siza Water	1 575 735	442 369
Other	3 351 444	7 024 617
	<u>77 217 476</u>	<u>88 821 612</u>

31 CORRECTION OF PRIOR YEAR ERRORS AND CHANGE IN ACCOUNTING POLICY

Property, plant and equipment

1 434 393

An error was discovered in the calculation of the 2013 accumulated depreciation which resulted in the overstatement of the net book value of property, plant & equipment. It was further discovered that assets under construction which were completed in the prior years were not transferred to completed assets as a result depreciation and accumulated depreciation was understated.

12 471 879

Items categorised as capital assets in nature which have been now under construction in the prior year

29 201 072

Forex Loss
Unspent Grants Liabilities

(250 042)

Leased assets
LG Sala funding has previously been disclosed as grants and

77 243

Forex Liability
Credit Note not accounted for at 30 June 2013 resulting in Forex Liability being overstated

(4 784)

Finance Lease Liability - Reversal of operational lease liability
Revenue Receipts not raised in prior year 2013/14

(52 324)

Stock Adjustments
Bank and Cash

(1 023 893)

Intangible Assets
Provision

(6 102)

adjustment to the 13th Cheque provision for December 2013 to June
Consumer Debtors

(3 137 970)

Adjustments to consumer transactions relating to prior years
Trade Creditors

243 191

Reversal of cash book balance
Correction of cash book balance

(269 803)

Other Debtors
Claim in respect of RBIC funded capital project expenditure raised erroneously

(3 416 352)

Other Debtors
Rent amounts owed to enterprise itembe

(19 911)

Amounts owing to the entity
Invoiced orders

(70 850)

Orders erroneously raised as accruals in the 2013/14 financial year
Staff Debtors

4 123 828

Other
Other

(61 869)

(9 453)

(446 899)

39 695 276

32 CASH GENERATED BY OPERATIONS

2015	2014	
R	R	
498 751 099	(74 223 627)	Surplus/(deficit) for the year
		Adjustment for:-
		Depreciation and amortisation
(137 521 017)	6 245	Foreign Loss
		Loss on disposal of PPE
(15 392)	81 899	Contribution to provisions - non-current
40 409 410	10 547 232	Contribution to provisions - current
1 582 129	2 775 714	Finance costs
11 246 933	9 266 946	Prior Year Adjustments
(445 699)	39 595 275	Investment income
(3 614 086)	(4 401 310)	Bad debts written off
(23 800 126)	(21 828 720)	Operating surplus before working capital changes:
376 276 189	310 864 149	
		Increases in inventories
(7 882 652)	(2 018 256)	Increases/(decreases) in trade receivables
(26 124 806)	(25 784 986)	(Decrease)/decrease in other receivables
(54 739 498)	26 595 185	Increases in conditional grants and receipts
(13 707 597)	14 624 564	(Decrease) increase in trade payables
85 548 587	40 759 089	Other assets
		Other liability
359 390 224	376 960 666	Cash generated by/(utilised in) operations

33 CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

Cash and cash equivalents included in the cash flow statement comprise the following:

31 863 098	31 242 232	Bank balances and cash
31 863 098	31 242 232	Net cash and cash equivalents (not of bank overdrafts)

34 EXPENDITURE DISALLOWED

34.1 Unauthorised expenditure

12 971 211	9 251 872	Unauthorised expenditure current year
(12 971 211)	(9 251 872)	Approved by Council/Board or condoned
-	-	Unauthorised expenditure awaiting authorisation

Incident
Unauthorised expenditure was as a result of expenditure on municipal water infrastructure grant that exceeded the 2014/2015 allocation

Action taken
Council has certified the unauthorised expenditure as irrecoverable and written it off in terms of section 32(2) of the MFMA

34.2 Fruitless and wasteful expenditure

88 712	02 148	Opening balance -
259 160	02 148	Fruitless and wasteful expenditure current year
(327 872)	92 148	Fruitless and wasteful expenditure awaiting condonation
-	-	Incident

The fruitless and wasteful expenditure relates to late cancellation of the hotel booking at Hampshire Hotel.

Action taken
The amount has been referred to MPAC.

LEMBE DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2016

10M
2015
R

10M
2014
R

34.3 Irregular expenditure

Reconciliation of irregular expenditure	
Opening balance	3 081 319
Irregular expenditure current year	2 580 940
Confirmed by council as irrecoverable and written off	(12 210 488)
Irregular expenditure awaiting condonement	2 580 940
	-

Incident
The irregular expenditure is a result of certain instances of non-compliance with the SCM policy and processes.

Action taken

The irregular expenditure has been referred to MPA.

34.4 Deviations

Deviations were approved in terms of regulation 36 of the Supply Chain Management Policy:

Total value	19 928 776
	12 264 957
	19 928 776

ADDITIONAL DISCLOSURES IN
TERMS OF MUNICIPAL FINANCE
MANAGEMENT ACT

35.1 Contributions to organised local government

Opening balance	1 714 403
Council subscriptions	1 030 726
Amount paid - current	(1 030 726)
Balance unpaid (included in payables)	486 283

35.2 Audit fees

Opening balance	1 913 681
Current year audit fees	2 272 672
Amount paid - current year	(1 913 681)
Balance unpaid (included in payables)	(2 272 672)

35.3 VAT

VAT input recoverables and VAT output payables are shown in note 13. All VAT returns have been submitted by the due date throughout the year.

35.4 PAYE and UIF

Opening balance	1 588 164
Current year payroll deductions	23 284 210
Amount paid - current year	(21 457 597)
Amount paid - previous years	(1 269 943)
Balance unpaid (included in payables)	1 688 164

The balance represents PAYE and UIF deducted in June 2015 payroll. These amounts were paid in July 2015

35.5 Pension and Medical Aid Deductions

Opening balance	1 278 308
Current year payroll deductions and Council Contributions	32 592 204
Amount paid - current year	(28 798 115)
Amount paid - previous years	(1 278 308)
Balance unpaid (included in payables)	2 784 089

The balance represents Pension & Medical aid deducted in July 2015 payroll. These amounts were paid in June 2015 except for medical and RA which were paid within the month of deduction which is June 2015.

35.6 Councilor's arrears consumer accounts

Total	Outstanding less	Outstanding more than 90 days	Outstanding more than 90 days
as at 30 June 2015	976	613	363
Councilor A Badu	710	409	300
Councilor MIP Mhili	790	682	108
Councilor RIN Palkas	8 392	3 887	5 395
Councilor MSC Motlala	1 847	1 847	-
Councilor LR Mbonambi	938	455	484
Councilor JIM Mkhize	14 661	8 002	6 649
Total Councilor Arrear Consumer Accounts	-	-	-

as at 30 June 2014

Total Councilor Arrear Consumer Accounts

HEATHE DISTRICT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS As at 30 June 2015

IDA
2015
R
IDA
2014
R

35.9 Material losses

35.9.1 Asset impairment losses (losses)
Reversal
Council incurred material infrastructure asset impairment losses in the prior year due to significant deterioration in the remaining useful lives and recoverable amounts of these assets. However, the current financial assessment resulted in the reversal of impairment losses.

35.9.2 Debt impairment losses

Although the revenue collection has slightly improved compared to the prior year, council has incurred material debt impairment losses written off against the provision for bad debts. This is mainly as a result of restricted inactive accounts that are accumulating interest with no corresponding payments, pensioner accounts and deceased consumer accounts that are accumulating interest. This write-off has resulted in a decrease in consumer debtors and provision for bad debts.

35.7 Distribution losses

Percentage distribution	Units lost (kilolitre)	Units lost (kilolitre) - other	Illegal connections and other	Main leaks	Reservoir overflows	Service connection leaks	Units lost (kilolitre)	Units lost (sales price per kilolitre - rands)	Units lost (purchase price per kilolitre - rands)	Units lost (percentage)
48%	5 359 280	4 091 182	37%	5 600 745	40 005	15%	1 724 132	32 672 380	34 882 914	48%
100%	11 203 807	11 203 807	100%	11 193 352	2 260 314	15%	1 724 132	77 824 205	75 314 609	48%

The distribution losses are mainly due to illegal connections, main leaks (aging infrastructure), reservoir overflows and service connection leaks. A five year strategic master plan for the reduction of non revenue water has been adopted by the municipality to address this problem.

35.9 Losses

It was noted that there were inconsistencies between the sewer revenue charged to individual consumers and charges per the approved tariff policy. The reason for the differences is that old consumers were charged based on the 2007/2008 valuation roll instead of the 2011 valuation rolls from the Local Municipality. This has resulted in a total loss of revenue of R12,2million. It has proved very expensive to use the valuation roll as basis of charging sewer hence council resolved to change the basis from valuation roll to water consumption basis in the 2014/2015 budget year. Included in the amount written off is an amount of R1,1 million in respect of 2012/2013 sewer increase of 0% that was not billed to the individual consumers. This has resulted in a decrease in debtors and provision for bad debts.

36 CAPITAL COMMITMENTS

36.1 Commitments in respect of capital expenditure

- Approved and contracted for	232 953 997	609 444 979
Infrastructure	482 953 638	20 481 341
Community	-	-
- Approved but not yet contracted for	2 271 897 991	2 328 050 026
Infrastructure	2 271 897 991	2 328 050 026
Total	2 504 851 988	2 937 495 004

37 EMPLOYEE BENEFITS INFORMATION

37.1 Defined contribution plan
The following are defined contribution plans: Natal Joint Municipal Pension Fund, National Treasury, Government Employees Pension Fund, SALA Pension Fund and Municipal Councilors Pension Fund. These contributions have been expensed.

- External Loans	2 005 954 621	2 320 107 133
- Government Grants	27 006 179	48 557 683
- Own resources	471 951 188	470 830 188
- Funding will be sourced	2 504 951 988	2 837 495 004

ILEMBE DISTRICT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2016

10M	R
2015	R
2014	R

37.2 Other Long-term benefit plan

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the municipality.

The municipality's net obligation in respect of long service awards is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value and the fair value of any related assets is deducted to determine the net obligation.

The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the municipality's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in surplus or deficit in the period in which the independent valuers carried out a statutory valuation as at 30 June 2016.

The principal actuarial assumptions used were as follows:

Discourt rate per annum	8%
Inflation rate	7%
Net effective discount rate	1%
Benchmark inflation (equal to salary inflation)	7%
Average retirement age	63
Horizality during employment	SA 85-90 ultimate
Percentage of in-service members withdrawing before retirement	40%
Age 20	25%
Age 30	12%
Age 40	4%
Age 50	2%
Age 55+	2%

Statement of Financial Position were determined as being the present value of the obligation:

EMPLOYEE BENEFITS

(continued)

Movement in the defined benefit obligation is as follows:

Balance at beginning of the year	0 685 000
Current service cost	771 000
Interest cost	550 000
Benefit payments	(1 405 502)
Actuarial (gains)/losses	271 128
Balance at end of year	7 271 627
	6 685 000

The timing of the employee benefits is as follows:

Current portion of employee benefits

801 472	6 114 000
6 470 155	6 685 000

The amounts recognised in the Statement of Financial Performance were as follows:

Current service cost	510 000
Interest cost	320 000
Actuarial (gains)/losses	1 945 714
	2 776 714

38 RELATED PARTIES

Members of key management

Controlled Municipal Entity

Section 57 managers
Ilembé District Municipality has a 100% holding in Ilembé Development Enterprise (Pty) Ltd.
Refer to note 23 & 24

Compensation to councillors and other key management

Related party balances

Amount owed by Ilembé Enterprise included in other payables

(12 697 884)

Related party transactions

Transactions with Enterprise Development Agency

10 708 148

Grant funding from the parent for LED projects

300 433

Rental of offices

As at 30 June 2015

10.1
2015
2014
R

39. RISK MANAGEMENT

39.1 Maximum credit risk exposure

Credit risk is the risk that a financial instrument will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Financial assets exposed to credit risk at year end were as follows:

Consumer debtors	209 575 679	168 710 220
Other debtors	74 186 007	19 449 509
	<u>283 761 685</u>	<u>188 159 728</u>
Ageing of consumers		
Current (0 - 30 days)	13 001 169	16 420 207
31 - 60 Days	12 783 500	17 640 266
61 - 90 Days	8 854 057	6 609 142
91 - 120 Days	7 588 493	4 341 352
121 - 365 Days	7 916 699	5 767 472
+ 365 Days	159 451 581	116 911 791
Total	209 575 679	168 710 220
Less: Provision for bad debts	(88 862 177)	(75 655 325)
Net consumer debtors	<u>120 713 502</u>	<u>93 054 895</u>
Cash and cash equivalents	31 663 095	44 838 379
Other investments	22 982 423	21 549 083
	<u>64 645 519</u>	<u>66 387 442</u>

These balances represent the maximum exposure to credit risk.

2016
2014
R
ID:1

39.2 Liquidity risk

Liquidity risk is the risk that the municipality will not be able to meet its obligations as they fall due. The municipality's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the municipality's reputation. The municipality's risk to liquidity is a result of the funds available to cover future commitments and credit facilities. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored. The municipality's ability are backed by appropriate assets and it has significant liquid resources. The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2016	2014
Gross finance lease obligations	8 426 370	23 196 664
Borrowings	1 516 041	89 866 402
Trade and other payables	276 654 494	276 654 494
Other	801 472	6 470 155
	<u>287 398 376</u>	<u>119 533 421</u>
Within a year	287 398 376	119 533 421
Between 2 to 5 years	0	0
Total	287 398 376	119 533 421
Gross finance lease obligations	1 452 292	86 260 717
Borrowings	3 115 127	441 048
Trade and other payables	204 813 503	89 383 844
Other	571 000	6 685 000
	<u>209 961 923</u>	<u>302 776 688</u>
Within a year	209 961 923	302 776 688
Between 2 to 5 years	0	0
Total	209 961 923	302 776 688

39.3 Interest rate risk

The Municipality is not exposed to interest rate risk on its financial liabilities. All of the Municipality's interest bearing external loan liabilities are fixed interest loans. The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow/interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. The municipality is exposed to fair value interest rate risk on its external loan liabilities, which are all fixed. At year end, financial instruments exposed to interest rate risk were as follows:

Cash and cash equivalents	31 863 096	44 839 379
Other investments	22 882 423	21 549 063
Gross finance lease obligations	31 863 096	21 549 063
Borrowings	91 382 443	1 893 839
Consumer debtors	209 875 679	169 710 220
	<u>209 875 679</u>	<u>169 710 220</u>

39.4 Foreign Currency Risk

Municipality had a three year contract for the deployment of Microsoft share point with Microsoft, which has since expired, therefore no foreign currency risk exists during the 2014/15 financial year.

At year end Foreign exchange losses were:

6 245	81 889
144 376	856 454

Sensitivity analysis:

The Spot rate at 30 June 2015 was 12.2934, should the spot rate increase by 10% the foreign liability will be R 158 813.13 and the foreign loss will increase to R 8 869.37. Should the spot rate decrease by 10% the foreign liability will be R 129 938.01 and the Foreign loss will decrease to R 5 620.39.

ILEMBE DISTRICT MUNICIPALITY
APPENDIX A
UNAUDITED SCHEDULE OF EXTERNAL LOANS
as at 30 June 2015

EXTERNAL LOANS	Loan number	Redeemable Date	Balance at 1 July 2014		Received during the period	Interest Paid during the period		Loans Raised During the period	Redeemed / written off during the period		Balance at 30 June 2015	
			R	R		R	R		R	R	R	R
LONG-TERM LOANS												
ABSA Bank @10.65%		2025	30 000 000	-	-	1 610 630	787 808				30 787 808	
Development Bank of SA @10.80%		2025/09/30	59 383 844	-	-	2 606 237	2 608 459			1 516 041	60 476 262	
Total long-term loans			89 383 844	-	-	4 216 867	3 396 267			1 516 041	91 264 070	
ANNUITY LOAN												
Development Bank of SA @16.50%	13527		75 963			5 483			66 284		9 679	
Development Bank of SA @13.45%	11578	2014	238								238	
Total capital creditors			76 201	-	-	5 483	-		66 284		9 917	
TOTAL EXTERNAL LOANS												
			89 460 045	-	-	4 222 350	3 396 267		1 582 325		91 273 987	

LEMBE DISTRICT MUNICIPALITY
APPENDIX B
UNAUDITED ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2015

Cost / Revitalisation	Additions	Change in policy/prior errors	Disposals	Transfers	Under Construction	Closing Balance	Accumulated Depreciation		Change in policy/prior errors	Reversal of impairment loss	Impairment loss	Closing Balance	Carrying Value
	R	R	R	R	R	R	R	R			R	R	R
Land	3 242 205	-	-	-	-	3 242 205	-	-	-	-	-	-	3 242 205
Buildings	3 242 205	-	-	-	-	3 242 205	-	-	-	-	-	-	3 242 205
Infrastructure	81 122 101	-	-	-	-	18 438 825	(5 271 160)	(685 854)	(704 397)	-	-	(6 076 411)	11 571 414
Sewerage Main & Purification	1 137 805 600	76 405 53	38 619 183,00	2 851 455	-	122 609 216	(37 662 046)	(4 201 408)	(4 270 841)	11 323 101	(1 869 115)	(36 740 128)	85 920 087
Water Main & Purification	233 431 024	1 104 249	-38 619 183,00	185 091 578	-	1 285 496 787	(350 534 946)	(55 544 560)	116 259 069	105 237 452	(30 955 402)	(235 536 448)	1 049 958 349
Under construction	1 455 470 715	-	-	(14 407 903)	351 630 740	388 171 751,55	-	-	-	-	-	-	395 171 751,55
						3 736 277 804	(433 104 292)	(53 203 965)	-	111 972 368	(32 824 537)	(272 337 576)	1 539 990 529
Total carried forward	1 430 152 445	1 184 250	-	(14 407 903)	351 630 740	1 617 939 537	(433 674 151)	(60 491 822)	-	111 274 971	(32 824 537)	(279 154 287)	1 539 990 529

LEMBE DISTRICT MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2015

as at 30 June 2015															
	Cost/Revolution			Under Construction	Change in policy/prior errors			Disposals	Opening Balance	Depreciation	Disposals	Accumulated Depreciation Change in policy/prior year errors	Impairment loss/Reversal of impairment loss	Closing Balance	Carrying Value
	Opening Balance	Additions													
Total brought forward	1 480 152 448	1 184 249	-	351 630 740	(14 407 303)	1 537 959 537	(433 674 151)	(40 491 822)	-	-	111 274 971	116 560 553	(32 824 537)	(279 154 337)	1 533 804 550
Other Assets															
Office Equipment	2 079 580	622 362	-	-	-	3 541 352,76	(2 093 284)	(348 662)	148 630	-	-	-	(13 257)	(2 304 773)	1 238 507
Machinery & Equipment	2 389 200	104 713	-	-	-	2 182 659	(1 354 212)	(264 067)	202 310	-	-	-	(9 449)	(1 594 457)	595 411
Transport Assets	8 404 007	-	-	-	-	5 087 809,07	(4 810 578)	(760 153)	3 186 484	-	-	-	-	(2 374 250)	2 713 559
Computer Equipment	7 718 195	56 010	-	-	-	7 343 624	(5 360 021)	(679 105)	400 756	-	-	-	(12 808)	(5 851 181)	1 492 444
	21 571 982	743 083	-	-	-	13 165 685	(13 848 035)	(2 201 190)	4 003 179	-	-	-	(34 555)	(12 124 661)	6 041 022
Finance Lease Assets															
Other Assets	11 800 727	38 828 120	(754 119)	-	-	41 773 100	(9 823 249)	(12 962 449)	8 072 860	676 877	-	-	-	(14 130 159)	27 648 941
	11 800 727	38 828 120	(754 119)	-	-	41 773 100	(9 823 249)	(12 962 449)	8 072 860	676 877	-	-	-	(14 130 159)	27 648 941
Total	1 518 615 128	40 793 462	(754 119)	351 630 740	(14 407 303)	1 377 904 322	(457 443 695)	(55 704 460)	12 037 029	676 877	111 274 971	116 560 553	(32 829 052)	(305 409 807)	1 572 484 512,67

LEMBE DISTRICT MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2014

	Opening Balance R	Additions R	Change in policy/prior errors	Cost / Revoluton Disposals R	Under- Construction R	Closing Balance R	Opening Balance R	Depreciation R	Disposals R	Accumulated Depreciation Change in policy/prior year errors	Impairment loss/Reversal of impairment loss R	Closing Balance R	Carrying Value R
Land	3 242 908	-	-	-	-	3 242 908	-	-	-	-	-	-	3 242 908
Buildings	3 242 908	-	-	(105 257)	-	3 242 908	18 438 824	(4 855 806)	6 725	-	-	(5 877 160)	12 961 663
Infrastructure	70 792 001	1 430 386	-	(12 276)	-	71 212 101	1 127 896 690	(12 699 048)	1 550	(128 105)	(29 115 365)	(27 662 046)	43 480 055
Water Works & Purification	713 253	180 947 023	238 150 519	(642 801)	-	1 127 896 690	(70 200 000)	(29 114 340)	77 483	(13 751 356)	(277 538 040)	(230 524 846)	747 351 742
Under construction	483 802 034	-	-20 201 072 81	-	208 328 018	239 431 924	-	-	-	-	-	-	239 431 924
	1 193 896 014	188 377 409	208 949 446	(655 177)	208 328 018	1 438 370 715	(52 907 141)	(31 824 616)	79 033	(13 879 462)	(209 655 005)	(428 196 592)	1 030 273 725
Total carried forward	1 215 905 063	188 377 409	208 949 446	(760 434)	208 328 018	1 480 152 447	(87 762 946)	(32 462 495)	85 753	(13 879 462)	(209 655 005)	(433 874 151)	1 046 478 235

LEMBE DISTRICT MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2014

	Opening Balance R	Additions R	Change in policy/prior errors	Cost / Revoluton Disposals R	Under- Construction R	Closing Balance R	Opening Balance R	Depreciation R	Disposals R	Accumulated Depreciation Change in policy/prior year errors	Impairment loss/Reversal of impairment loss R	Closing Balance R	Carrying Value R
Total brought forward	1 215 905 063	188 377 409	208 949 446	(760 434)	208 328 018	1 480 152 447	(87 762 946)	(32 462 495)	85 753	(13 879 462)	(209 655 005)	(433 874 151)	1 046 478 235
Other Assets	3 167 069	78 206	-	(105 475)	-	3 140 790	(1 813 432)	(260 284)	104 793	-	(24 281)	(2 093 284)	946 506
Office Equipment	2 427 013	46 228	-	(103 941)	-	2 369 290	(1 222 464)	(372 345)	50 943	-	(9 543)	(1 584 009)	785 281
Machinery & Equipment	8 037 209	634 211	-	(268 810)	-	8 402 610	(4 135 120)	(831 415)	205 227	-	(40 263)	(4 810 575)	3 592 035
Transport Assets	7 518 638	128 667	-	(228 152)	-	7 419 153	(4 222 207)	(1 325 733)	192 378	-	(4 450)	(5 350 021)	2 069 132
Computer Equipment	21 249 976	307 395	-	(765 325)	-	21 792 046	(11 453 223)	(2 896 257)	533 241	-	(87 453)	(13 817 893)	7 974 093
Finance Lease Assets	21 928 035	-	-	(10 025 208)	-	11 902 827	(16 120 800)	(3 052 726)	9 889 191	-	-	(3 973 446)	1 977 279
Other Assets	21 930 035	-	-	(10 025 208)	-	11 904 827	(16 139 305)	(3 052 736)	9 889 191	-	-	(3 973 446)	1 977 279
Total	1 258 371 075	189 264 801	208 949 446	(11 551 127)	208 328 018	1 513 625 158	(115 416 072)	(38 938 582)	70 451 290	(13 879 462)	(209 742 638)	(447 442 493)	1 056 179 664

ILEMBE DISTRICT MUNICIPALITY
APPENDIX C
UNAUDITED SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2015

	Cost / Revaluation				Accumulated Depreciation						
	Opening Balance R	Additions R	Under Construction R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposal R	& Impairment Loss/Reversal	Closing Balance R	Carrying value R
Executive & Council	16 122 802	56 019		(3 747 387)	12 431 433	(10 170 600)	(1 639 262)	3 597 239	(12 809)	(8 225 430)	4 206 003
Finance & Admin	27 130 914	727 075		(442 004)	27 415 984	(9 154 655)	(1 296 782)	410 940	(726 143)	(10 766 841)	16 649 343
Waste Management	81 122 101	76 467		-	81 198 568	(37 662 046)	(4 261 408)	-	5 174 325	(36 749 128)	44 449 439
Water	1 137 866 690	1 107 782	-	-	1 138 974 472	(390 534 946)	(35 544 560)	-	190 541 059	(235 538 448)	903 436 024
Under Construction	239 481 924		336 522 840	-	576 104 764		-	-	-		576 104 764
Other	11 900 727	38 072 000		(8 193 628)	41 779 100	(9 923 448)	(12 962 449)	8 078 860	676 877	(14 130 159)	27 648 941
Total	1 513 625 158	40 039 343	336 622 840	(12 383 019)	1 877 904 322	(457 445 695)	(55 704 460)	12 087 039	195 653 308	(305 409 807)	1 572 494 513

ILENIBE DISTRICT MUNICIPALITY

APPENDIX D

UNAUDITED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
as at 31 May 2015

	2014	2014 Actual	2014 Surplus / (Deficit) R	2015 Actual	2015 Actual	2015 Surplus / (Deficit) R
	Actual Income R	Expenditure R		Expenditure R	Income R	
	41 432 243	60 614 515	(19 182 272)	56 764 456	47 594 950	(9 169 506)
	136 186 000	106 284 503	29 901 497	115 082 431	162 573 667	47 491 236
	8 371 809	20 692 246	(12 320 437)	20 103 619	12 781 417	(7 322 202)
	1 924 930	4 186 504	(2 260 574)	5 284 325	-	(5 284 325)
	66 506 893	46 323 143	20 183 750	50 576 566	121 490 445	70 913 880
	464 710 089	555 242 203	(90 532 115)	137 941 422	548 218 179	410 276 758
	719 131 963	793 342 113	(74 210 152)	385 752 813	892 658 659	506 905 839